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# Commonwealth of Massachusetts
# Department of Revenue

## Division of Local Services

# FY89 CHERRY SHEET PROGRAM

# Description

GOVERNMENT DOCUMENTS
COLLECTION
MAR 29 1989
University of Massachusetts
Depository Copy

**Municipal Data Management and Technical Assistance Bureau**

STEPHEN W. KIDDER
COMMISSIONER

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DEPUTY COMMISSIONER

## INTRODUCTION

This report presents an overview of each of the programs which comprise the Fiscal Year 1989 Municipal and Regional Cherry Sheets. The 30 receipt programs and 19 assessment programs are outlined in the order that they appear on the Municipal Cherry Sheet, and are described in reference to their purpose, formulation, and administration.

Named for the cherry colored paper on which it was originally printed, the Municipal Cherry Sheet combines two separate notifications to each city and town. The first form, C.S. 1-ER, is the official notification by the Commissioner of Revenue to local assessors of the estimated receipts to be paid to the municipality by the Commonwealth during the next fiscal year. The second form, C.S. 1-EC, is the official notification of the estimated assessments and charges for the next fiscal year, which the municipality must pay for the services performed by other levels of government. A third form, C.S. 2-ER, is the official notification of the estimated educational receipts and adjustments for Regional School Districts. The form itself is sent to the superintendents of each regional school district with copies sent to each of its member cities and towns. In this way regional school districts can plan their budgets without relying on their member communities.

Programs appearing on the Cherry Sheet change from year to year as new programs are added, others are dropped, and still others are combined. The FY89 Cherry Sheet is no exception, as a number of changes have occurred. As part of the Department of Revenue's effort to simplify the Cherry Sheet, the form has been reorganized. The forms are now on 8 1/2" by 11" paper, prominently displaying Resolution Aid, and can be compared to the Regional School District Cherry Sheet with greater ease as the numbering of corresponding education aid programs now concur between the forms. In addition, Minimum Teachers' Salary again appears on the Cherry Sheet as Education Reimbursement Item B.7., Professional Development no longer appears on the receipt form, and the County Hospital Assessment line item has been dropped from the assessment form.

For FY89, a number of programs from the FY88 Cherry Sheet have been combined for further simplification. The FY88 Loss of Taxes clauses for Veterans, Blind, and Surviving Spouses have been combined into a single account entitled Loss of Taxes, Abatements. Similarly, Racial Imbalance, Magnet Education and Equal Education Improvement are now entitled Racial Equality; School Lunch and Elderly Lunch are now entitled Lunch Programs; Federally Aided and Non-Federally Aided Urban Renewal Projects are now entitled Urban Renewal Projects; and Highway Reconstruction & Maintenance and Highway & Transit Fringe MBTA are now entitled Additional Highway Assistance. It is important to note that these programs are combined for Cherry Sheet purposes only. Actual programs will continue to be funded and distributed separately.

A final important change to the FY89 Cherry Sheet involves the Resolution Aid total. Included in the $161.7 million allocated state-wide in New Resolution Aid is $80.5 million in direct state operating assistance to county jails. Each municipality's FY89 Resolution Aid includes a reduction in the County Assessment to reflect the Commonwealth's assumption of these costs, balanced by an equal reduction in the County Assessment. In other words, to determine the actual FY89 Resolution Aid total for each municipality, it is necessary to add Items A.1 and A.2 on the receipts side, as well as the 'Less County Jail Costs' Line on the assessments side. This item will occur on the FY89 Cherry Sheets only.

DEPARTMENT OF REVENUE

DIVISION OF LOCAL SERVICES

FY89 CHERRY SHEET PROGRAM DESCRIPTION

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# RESOLUTION AID

The major distribution component on the Cherry Sheet for most communities is "Resolution Aid". The term "Resolution Aid" is used for the amount allocated to each city, town and regional school district as stated in the Legislative Resolution approved each February. The annual Legislative Resolution is a commitment to include the stated amounts in the final budget, normally approved in late June. This early state commitment for Cherry Sheet aid provides municipalities and regional school districts with a firm basis for determining their budgets for the next fiscal year, beginning July 1st.

For FY89, Resolution Aid consists of three line items; Chapter 70 and Additional Assistance, which appear at the top of the receipt form, and a reduction of the County Tax as part of the Commonwealth's assumption of county jail costs, which appears on the assessment form. These programs are described in greater detail later.

## The "Needs-Based" Formula

The Needs-Based Formula is the mechanism by which New Aid is added to the prior year's resolution-aid base each year. This formula is designed to compensate municipalities not only for differences in local revenue-raising capacity, but also for differences in environmental and demographic factors that contribute to the cost of providing essential municipal services. The basic approach will be used again for FY89 to determine the distribution of $161.6 million in additional Resolution Aid. The components of the formula and the modifications for FY89 are outlined below.

### Estimation of Costs

The first step in determining a municipality's need for state aid is estimating the costs of providing adequate levels of municipal services. This involves the use of a statistical technique which makes it possible to separate the impact of uncontrollable cost factors from other determinants of local expenditures, such as the preferences of residents, the level of the resources available, and management inefficiencies. In this way, the formula is designed to offset only those cost differences which represent a real need for state assistance. An analysis identifies eight factors which contribute to local expenditures:

Weighted full-time/equivalent students
Population density
Local road mileage
Manufacturing employment
Non-manufacturing employment
Percent of persons in poverty
Percent of housing built before 1940
Service level group

## Estimation of Revenue

The next step in calculating aid through the formula is to determine the amount of the municipality's own-source revenues and existing state aid which is available to finance local services. This analysis includes five factors that contribute to local resources:

Property tax capacity
Available reserves
Motor Vehicle Excise Tax
Cherry Sheet aid
Hotel/Motel tax capacity

## Calculating New Aid

Finally, each municipality's need for new state aid is determined by subtracting available revenues from estimated costs. For municipalities with a positive gap between costs and revenues, available new aid is calculated in proportion to the relative size of each municipality's cost-revenue gap. For municipalities with a negative gap between costs and revenues (indicating that own-source revenues and existing state aid are sufficient to fully cover the cost of providing essential services), the gap calculation is 0. In order to assure that all municipalities receive <u>some</u> new aid, regardless of the gap calculation, an allocation process has been developed.

Steps to calculate needs-based formula aid:

1) Compare

   A) Cost-Revenue Gap calculation (as described above)

   B) 50% of the FY88 Resolution Aid allocation, and

   C) $8.50 per capita for municipalities with a negative gap, $10.00 per capita for municipalities with a positive gap.

2) Take the highest of the three figures and compare it to

   D) 150% of the FY88 Resolution Aid allocation.

3) Take the lower of these two figures. This is the FY89 needs-based aid allocation. (These steps ensure that no municipality's Resolution Aid will rise or fall more than 50% from that of the previous fiscal year's normally, the year-to-year change is much smaller.)

**Modification in the formula for FY89**

The needs-based formula for FY89 remains virtually unchanged from the FY88 version, except for the addition of the minimum aid per capita calculation. This calculation was added to assure that no municipality with a positive gap would receive less than an added $10.00 per capita, and no municipality with a negative gap would receive less than an added $8.50 per capita. This calculation replaces the increase in property tax levy calculation in the FY88 version of the formula.

**Allocation of Aid Between Direct Assistance Accounts**

The needs-based formula is used to determine the total amount of new aid to be added to each municipality's Resolution Aid distribution. Once this allowable increment is determined, the FY89 aid is allocated between three amounts: Additional Assistance, Chapter 70 School Aid, and a reduction of the County Tax to reflect direct state operating assistance to county jails.

Additional Assistance and Chapter 70 School Aid are direct assistance accounts which provide flexible aid to cities and towns. Aid is distributed between these two accounts based on the relative impact of school and non-school expenditures on municipal budgets. This provides local officials with a way of differentiating between aid intended for school versus municipal costs <u>without actually earmarking the funds.</u>

For FY89, the first portion of the Resolution Aid allocation for each municipality is included to offset a reduction of the County Tax. This reduction results from the Governor's recommendation to reserve $80.5 million for direct state operating assistance to county jails. The reduction in the County Tax, and the equal reduction in each municipality's Resolution Aid, results in the net FY89 increases in state aid being exactly the same as if no County Jail costs had been assumed.

## CHERRY SHEET RECEIPTS

General Laws, Chapter 58, Section 25A provides that the Commissioner of Revenue shall estimate in advance all the Commonwealth's share of local reimbursement and assistance programs as authorized by law and appropriated by the General Court. Local assessors are required to use these figures in determining the local tax rate.

State aid to cities, towns and regional school districts consists of two major types - "distributions" and "reimbursements". Distributions are those aid programs through which funds are given to each city, town and regional school district according to varying formulas. Reimbursements are amounts paid to reimburse cities, towns and regional school districts for all, or part, of the costs incurred for certain activities or services provided.

On the Cherry Sheet, Form 1-ER, it will be noted that the seven programs in the Education Reimbursements Offset Items and the two programs of General Government - Offset Items must be used for these specific municipal programs. These funds may be spent by the responsible local officials without appropriation in the local budget. All other receipt items become part of the municipality's General Fund, and may be spent for any purpose, subject to appropriation.

FINAL

C.S. 1-ER

# The Commonwealth of Massachusetts

FISCAL 1989

## DEPARTMENT OF REVENUE

NOTICE TO ASSESSORS OF FISCAL 1989 ESTIMATED RECEIPTS
TO BE USED IN DETERMINING THE TAX LEVY

GENERAL LAWS, CHAP. 58, SECT. 25A, AND CHAP. 59, SECT. 23 ..... ALL.
Municipality

| | |
|---|---|
| **A. RESOLUTION AID:** | |
| 1. School Aid, G.L. Ch. 70, as amended | $ 1,108,876,029 |
| 2. Additional Assistance | 764,994,605 |
| 3. County Jail Grants | 21,634,264 |
| **S. Sub-Total, Resolution Aid** | $ 1,895,504,898 |
| **B. EDUCATION REIMBURSEMENTS:** | |
| **OFFSET ITEMS - RESERVE FOR DIRECT EXPENDITURE:** | |
| 1. Apprenticeship Training G.L. Ch. 74B, s. 7B | $ 308,855 |
| 2. Racial Equality Chs. 76, s. 12A: 71, ss. 37 I&J: 15, s. 1L | 27,262,167 |
| 3. Lunch Programs (School/Elderly) Ch. 871, Ch. 15, s. 1L, Ch. 753 | 5,500,626 |
| 4. Equal Education Opportunity, G.L. Ch. 70A | 98,978,175 |
| 5. School Improvement Council, G.L. Ch. 10, s. 51 | 7,100,060 |
| 6. Horace Mann Teachers, G.L. 15, s. 1G | 6,346,843 |
| 7. Minimum Teachers' Salary | |
| **S. Sub-Total, Offset Items** | $ 145,496,726 |
| **REIMBURSEMENTS:** | |
| 8. School Transport. Prog. G.L. Chs. 71, 71A. 71B and 74 | $ 63,216,751 |
| 9. Const. of Sch. Proj. 1948, Ch. 645, 1976, Ch. 511 | 106,304,151 |
| 10. Tuit-St. Wards G.L. Ch. 76, ss. 7 & 9, Ch. 74, s. 7A | 6,229,592 |
| 11. Special Needs Recreation G.L. Ch. 71B, s. 11 | 392,540 |
| 12. Retired Teachers' Pensions G.L. Ch. 32, s. 20 (2) (c) | 23,000,000 |
| 13. Transportation of Pupils G.L. Ch. 71, s. 16C | 82,950 |
| **S. Sub-Total, Reimbursement Items** | $ 199,225,984 |
| **S. Sub-Total, All Education Items** | $ 344,722,712 |
| **C. GENERAL GOVERNMENT REIMBURSEMENTS AND DISTRIBUTIONS:** | |
| **OFFSET ITEMS - RESERVE FOR DIRECT EXPENDITURE:** | |
| 1. Water Pollution Abatements G.L. Ch. 21, s. 37 | $ 63,836 |
| 2. Public Libraries, G.L. Ch. 78, s. 19A | 5,951,539 |
| **S. Sub-Total, Offset Items** | $ 6,015,375 |
| **REIMBURSEMENTS AND DISTRIBUTIONS:** | |
| 3. Additional Aid to Public Libraries 1983, Ch. 289 | $ 1,500,000 |
| 4. Regional Public Libraries G.L. Ch. 78, s. 19C | 8,778,333 |
| 5. Police Career Incentive G.L. Ch. 41, s. 108L | 6,700,000 |
| 6. Cult. & Protect. of Shellfish G.L. Ch. 130, s. 20A | 300,107 |
| 7. Urban Renewal Projects (Fed. & Non-Fed.) G.L. Ch. 121 | 1,505,538 |
| 8. Veterans Benefits G.L. Ch. 115, s. 6 | 11,760,750 |
| 9. Highway Fund G.L. Ch. 81, s. 31: 1980, Ch. 577, s. 8 | 24,681,360 |
| 10. Additional Highway Assistance Programs 1974, Ch. 825 | 20,969,803 |
| 11. Lottery, Beano, Charity Games G.L. Ch. 29, s. 2D | 306,000,000 |
| 12. Local Share of Racing Taxes 1981, Ch. 558 | 1,495,000 |
| 13. Urban Redevelopment Corp. Excise G.L. Ch. 121A, s. 10 | 43,693,600 |
| 14. Loss of Taxes, Abate: Vets, Blind & Surv. Spouse G.L. Ch. 59 | 4,339,466 |
| 15. Loss of Taxes, Elderly G.L. Ch. 73 Cl. 41, 41B or 41C | 15,000,000 |
| **S. Sub-Total, Non-Offset Items** | $ 446,725,759 |
| **S. Sub-total, All General Government** | $ 452,741,134 |
| **D. TOTAL ESTIMATED RECEIPTS** | $ 2,692,968,744 |

FINAL

C.S. 2-ER

**The Commonwealth of Massachusetts**
**DEPARTMENT OF REVENUE**
NOTICE TO REGIONAL SCHOOL DISTRICTS OF ESTIMATED RECEIPTS

**FISCAL 1989**

Name of School ALL REGIONS

Member Cities and Towns

**A. RESOLUTION AID:**

| | | |
|---|---|---|
| 1. | School Aid G.L. Ch. 70, as amended | $ 109,880,519 |
| 2A. | Regional Sch. District Aid G.L. Ch. 71, s. 16D | 99,216,414 |
| 2B. | Transportation of Pupils G.L. Ch. 71, s. 16C | 27,979,138 |
| S. | **Sub-total, Resolution Aid** | $ 237,076,071 |

**B. EDUCATION REIMBURSEMENTS:**

**OFFSET ITEMS-RESERVE FOR DIRECT EXPENDITURE:**

| | | |
|---|---|---|
| 1. | Apprenticeship Training G.L. Ch. 74B, s. 7B | $ 91,145 |
| 2. | Racial Equality G.L. Ch, 76, s. 12A | 879,641 |
| 3. | Lunch Programs (School/Elderly) Ch. 871, Ch. 15 s. 1L | 756,547 |
| 4. | Equal Educ. Opportunity, G.L. Ch. 70A | 11,196,117 |
| 5. | School Improvement Council, G.L. Ch. 10, s. 51 | 999,940 |
| 6. | Horace Mann Teachers, G.L. Ch. 15, s. 1G | 986,415 |
| 7. | Minimum Teachers' Salary | |
| S. | **Sub-total, Offset Items** | $ 14,909,805 |

**REIMBURSEMENTS:**

| | | |
|---|---|---|
| 8. | School Transport. Prog. Chs. 71, 71A, 71B, and 74 | $ 1,707,409 |
| 9. | Construction of Sch. Proj. 1948, Ch. 645, 1976, Ch. 511 | 18,603,341 |
| 10. | Tuition of St. Wards G.L. Ch. 76, ss. 7 & 9, Ch. 74, s. 7A | 1,070,408 |
| 11. | Special Needs Recreation G.L. Ch. 71B, S. 11 | 7,460 |
| S. | **Sub-total, Reimbursement Items** | $ 21,388,618 |
| S. | **Sub-total, All Education Items** | $ 36,298,423 |

**ADJUSTMENT:**

| | | |
|---|---|---|
| 11A. | Energy Conserv. Programs Assessment, 1983, Ch. 700 | $ -54,922 |
| S. | **Sub-total, Education Adjustment** | $ -54,922 |

**C. TOTAL ESTIMATED RECEIPTS, FISCAL 1989** $ 273,319,572

CHERRY SHEET ITEM NO.: A-1

TITLE: School Aid

MAJOR CITATION: G.L. Chapter 70

BUDGET ACCOUNT NO.: 7061-0008

**PURPOSE:**

As one of the programs which comprise the "Resolution Aid" determined by the Legislature annually, Chapter 70 provides flexible unrestricted aid to municipalities on an equitable basis.

**DISTRIBUTION FORMULA:**

Enacted as part of the FY1979 state budget, the distribution formula attempts to equalize aid in terms of individual need by accounting for several variables. The following is the Chapter 70 formula (s.3):

$$\text{Aid} = \left[1 - \left(\text{local support percentage} \times \frac{\text{local valuation}}{\text{percentage}}\right)\right] \times \text{sum of weighted pupils in the current fiscal year} \times \text{State-wide average expenditure per pupil in the previous fiscal year}$$

The local support percentage is the percentage of local aidable expenditures which is to be assumed by any city, town, or regional school district which has the same equalized valuation per person as the state-wide average. In other words, for a city or town with the state-wide percentage of equalized valuation per person, the amount of school costs it assumes of the total cost is the local support percentage. This is determined each year after the total school appropriations are authorized, thus eliminating proration.

- The local valuation percentage is the ratio of local equalized valuation per person to the total state-wide valuation per person.

- Pupil weights are designed to reimburse cities and towns for the added cost of special services that must be supplied to certain types of students. To determine a city or town's sum of weighted pupils, each student in the system is multiplied by his corresponding "cost weight."

SCHOOL AID CONTINUED

Pupil weights are as followed:

| | |
|---|---|
| regular day program | 1.0 |
| transitional bilingual programs | 1.4 |
| special needs programs | 4.0 |
| vocational education program (day students only) | 2.0 |
| low income (this is in addition to their weight in the above programs) | 0.2 |

- The state-wide average expenditure is the average per-pupil cost of the total expenditures for all pupils enrolled in regular day programs except for expenditures for transportation, payment of regional school district assessments, food or food services and capital outlays and after deducting receipts for tuition, receipt from the federal government, the proceeds from any invested funds or grants and any other applicable gifts and receipts from other sources.

Section 6

Each Chapter 70 municipal recipient was granted a minimum guarantee that their FY83 entitlement would be at least 107% of their FY79. They now are guaranteed 90% of each previous year's entitlement for FY84 through FY93, until their distribution declines to the amount they should receive by the formula.

NOTE:

According to legislation passed as part of the budget act each year, the Chapter 70 formula has been used in recent years to divide needs-based allocations, for informational purposes only, between the School Aid and Additional Assistance lines on communities' cherry sheets. Chapter 70 revenue is general- fund revenue.

ADMINISTRATION:

The State Treasurer will distribute Chapter 70 school aid to cities, towns and regional school districts in four quarterly payments. The distribution dates are the last day of September, December, March and June.

CHERRY SHEET ITEM NO.: A-2

TITLE: Additional Assistance

BUDGET ACCOUNT NO.: 0611-5500

**PURPOSE:**

As one of the programs which comprise the "Resolution Aid" determined by the legislature annually, additional assistance provides flexible unrestricted aid to municipalities on an equitable basis.

**DISTRIBUTION FORMULA:**

In its most basic form, Additional Assistance is determined by subtracting the amount allocated through the Chapter 70 formula (see pages 5 & 6) and in FY89 the amount of County Jail Costs, from the total Resolution Aid allocation.

Due to fluctuations which occur each year in the Chapter 70 account, it is possible that municipalities can experience decreases in Additional Assistance funding. However, the cumulative total of each of the accounts which comprise Resolution Aid will always increase relative to the prior year's total. Each of the Resolution Aid accounts represent flexible aid not earmarked for specific purposes, so it is more important to note cumulative increases in Resolution Aid, rather than fluctuations that occur between accounts.

**ADMINISTRATION:**

Aid calculations are performed, and allocation between resolution aid accounts determined, by the Executive Office of Administration and Finance.

CHERRY SHEET ITEM NO.: B-1

TITLE: Apprenticeship Training Program

MAJOR CITATION: G.L. Chapter 74, Section 7B

BUDGET ACCOUNT NO.: 7061-0007

**PURPOSE:**

To encourage the continuation of apprenticeship training programs.

**REIMBURSEMENT FORMULA:**

Grants cover instructional costs and cost of some clerical support.

**ADMINISTRATION:**

This is a direct grant to school districts for operating approved apprenticeship programs during a given fiscal year. Districts must apply to the Division of Occupational Education of the Department of Education.

CHERRY SHEET ITEM NO.: B-2

TITLE: Racial Equality

MAJOR CITATIONS: Ch. 76, s. 12A, Ch. 71, s.s. 37 I & J,Ch. 15, s. 1I

**PURPOSE:**

To reimburse a city, town or regional school district for the cost of educating and transporting a non-resident child who is part of the city's, town's or regional school district's approved plan to eliminate racial imbalance and promote "magnet education".

**RACIAL IMBALANCE:**

BUDGET ACCOUNT NO.: 7010-0012

**REIMBURSEMENT FORMULA:**

The cost per pupil of educating and transporting each non-resident child is reimbursed subject to the conditions of the agreement between the State Board of Education and the city, town or district.

**ADMINISTRATION:**

The State Board of Education must approve the plan to eliminate racial imbalance. It must also provide assistance in the formulation and implementation of any such plan. The Board must certify such costs before the city, town, or district is reimbursed by the State Treasurer.

**MAGNET EDUCATION:**

BUDGET ACCOUNT NO.: 7010-0042

**REIMBURSEMENT FORMULA:**

Any city or town may request, and the Board may approve, a grant to cover the following costs incurred in the provision of "magnet" programs:

-the average per pupil cost of educating a child at a magnet facility beyond the per pupil cost of the same education at a public school (these costs are to be determined with the approval of the board);

-the total cost of transporting each child to the magnet facility;

-up to 75 percent of the cost of the planning, construction and improvement of such facilities;

-other incidental costs in the provision of magnet facilities that the board approves.

**ADMINISTRATION:**

The State Board of Education will certify for reimbursement, subject to appropriation, all or part of the cost of service rendered under magnet educational programs.

**EQUAL EDUCATION IMPROVEMENT FUND:**

**BUDGET ACCOUNT NOS.:** 7010-0043

**REIMBURSEMENT FORMULA:**

Upon approval of a submitted local plan, the State Board of Education shall determine amounts to be paid toward the funding of the current year's expenses for the project.

**ADMINISTRATION:**

Subject to appropriation, the Commonwealth will reimburse each city or town the designated amount.

CHERRY SHEET ITEM NO.: B-3

TITLE: Lunch Programs

MAJOR CITATIONS: Chs. 871, 753 of the Acts of 1970, G.L. Ch. 15, s.1L

**SCHOOL LUNCH PROGRAM:**

BUDGET ACCOUNT NO.: 7053-1909

**REIMBURSEMENT FORMULA:**

Costs incurred in the provision of such programs are partially reimbursed to the extent that sufficient funds are appropriated (last year, this came to approximately 6 cents per lunch). Reimbursement is intended to be supplementary to federal and local support.

**ADMINISTRATION:**

Cities and towns are required to submit a monthly list of costs incurred to the Department of Education which then approves the amount of monthly reimbursement. The program be in accordance with the provisions of the National School Lunch Act.

**ELDERLY LUNCH PROGRAM:**

BUDGET ACCOUNT NO.: 7053-1910

**REIMBURSEMENT FORMULA:**

Reimbursements will be given to cities and towns which provide a hot lunch program to authorized elderly persons 60 years of age or older. The meal price charge cannot exceed 50 cents per meal, and must meet nutritional standards.

**ADMINISTRATION:**

Upon written request by the city or town, the State Department of Education may approve and certify to the Comptroller the amount of monthly payment due, provided that any federal funds granted for the purposes of this program shall be expended before any state funds are approved.

CHERRY SHEET ITEM NO.: B-4

TITLE: Equal Education Opportunity

MAJOR CITATION: Chapter 70A

BUDGET ACCOUNT NO.: 7061-1000

**PURPOSE:**

To raise per-pupil expenditures in communities where such expenditures are below 85% of tne state average.

**REIMBURSEMENT FORMULA:**

The Department of Education will pay one-sixth of the differences between a district's actual spending and the amount of expenditures that would support the target of 85% of the state average.

**ADMINISTRATION:**

In order to qualify, a community must either match the state grant or allocate the same percentage of total local revenue to the school system as the year before, the community must not reduce its absolute level of spending, must maintain the proportionate share of general revenues (state aid and taxes) that it devotes to school spending and the per-pupil expenditure in opportunity schools cannot be less than the comparable figure for other, non-opportunity schools with the same grade and organizational structure. The Department of Education notifies those communities eligible for the grants and includes in the notification the minimum spending effort required by that community in order to qualify. A city or town electing to receive the grants receives its funds after its application is processed by the Department of Education.

CHERRY SHEET ITEM NO.: B-5

TITLE: School Improvement Council

MAJOR CITATION: G.L. Chapter 10, Section 51

BUDGET ACCOUNT NO.: 7061-4000

**PURPOSE:**

To encourage formation of school advisory councils in individual schools composed of administrators, parents and citizens.

**DISTRIBUTION FORMULA:**

Each council will receive $10 per pupil based on the school system count of the previous October 1st, and may spend the money to improve services and conditions in the school.

**ADMINISTRATION:**

The superintendent of schools in the city or town certifies the formation of the council to the Department of Education's Bureau of Student, Community and Adult Services. Monies are distributed upon processing by DOE (usually within two months). The legislation sets certain minimum requirements for council membership and restricts use of the grants to educational enhancements; no present budget items may be funded. Beginning in FY88, secondary schools were eligible for these grants, which were restricted to K-6 in FY86 and FY87.

CHERRY SHEET ITEM NO.: B-6

TITLE: Horace Mann Teachers

MAJOR CITATION: G.L. Chapter 15, Section 1G

BUDGET ACCOUNT NO.: 7061-5000

**PURPOSE:**

To increase compensation by up to $2,500 for certain teachers who initiate specialized projects in areas such as training, curriculum development and drop-out prevention.

**DISTRIBUTION FORMULA:**

Each participating school system is eligible to receive Horace Mann Funds according to the following formula:

6% X FTE Certified Teachers X $2,000

This amount equals $120 per FTE teacher. Distribution of the funds within the school system is determined by the school system administration along with the appropriate collective bargaining unit, subject to the $2,500 individual maximum.

**ADMINISTRATION:**

School systems must apply to the Department of Education's Bureau of Curriculum and Instruction for participation in the program. Any community may elect to participate. The Department of Education will certify each community's entitlement in a lump sum upon approval.

CHERRY SHEET ITEM NO.: B-7

TITLE: Minimum Teacher's Salary

MAJOR CITATION: Acts of 1985, Chapter 188, Section 17

BUDGET ACCOUNT NO.: 7061-3000

**PURPOSE:**

To encourage municipalities and school districts to raise teacher salaries in Massachusetts to a minimum of $20,000.

**DISTRIBUTION FORMULA:**

Districts that accept the grants will be compensated for the added expense of paying at least this minimum salary to all teachers who have begun work by October 30, 1986.

**ADMINISTRATION:**

Once a municipality opts to participate in this program, it submits an application to the Department of Education. Included in this application is a request for an amount of money sufficient to comply with the requirements of the minimum teachers salary program. As a condition of participation, each community agrees to continue to pay at least this minimum salary regardless of future state funding levels for this purpose.

CHERRY SHEET ITEM NO.: B-8

TITLE: School Transportation Programs

MAJOR CITATION: G.L. Chap. 71 ss. 7A, 7B,37D; Chap. 71A, Sec. 8; Chap. 71B ss. 13, 14; Chap. 74, Sec.8A.

BUDGET ACCOUNT NO.: 7035-0004

PURPOSE AND REIMBURSEMENT FORMULA:

Reimbursement of all or part of the costs incurred by a city, town or school district for pupil transportation. There is no fixed percentage of reimbursement specified in the above laws.

Chap. 71, Section 7A - The state reimburses the cost above $5 per pupil per year. This reimbursement is paid provided that:

a) the pupil resides at least one and one-half miles from school as measured by a common route:
b) private school transportation does not cost more than public school transportation in the same town;
c) the contract for transporting pupils is awarded to the lowest bidder except where the lowest bidder is unacceptable to the school committee, and they must show justification;
d) the reimbursement is not less than the reimbursement made in 1946.

Chap. 71, Section 7B - Provides for the partial reimbursement of the cost not reimbursable under 7A incurred by a school district, city or town for maintaining a public transportation system used for transporting pupils. Each city or town shall receive a transportation allowance for the preceding school year equal to the estimated number of pupils using the public transportation and residing more than one and one-half miles from the school times the average transportation cost per pupil in the city or town. Not to exceed 20 cents per pupil per day.

Chap. 71, Section 37D- Reimburses 100% of the cost of transporting pupils for the purpose of achieving "racial balance".

SCHOOL TRANSPORTATION CONTINUED

Chap. 71A, Section 8, Chap. 71B ss. 13, 14 — Reimburses cities and towns for costs incurred in transporting persons to state-mandated special needs programs located beyond one and one-half miles from such persons' residences. Full costs are reimbursed for transporting of bilingual students, retarded adults and special needs students while one-half the costs are reimbursed with respect to transporting retarded children.

Chap. 74, Section 8A - Reimburses 50% of the prior year's cost of transporting pupils to occupational programs outside the school districts.

**ADMINISTRATION:**

The Department of Education determines reimbursements.

CHERRY SHEET ITEM NO.: B-9

TITLE: Construction of School Projects

MAJOR CITATION: Acts of 1948, Chapter 645; Acts 1976, Ch. 511

BUDGET ACCOUNT NO.: 7052-0004
7052-0005
7052-0006

**PURPOSE:**

To provide financial assistance to cities, towns and regional school districts in the construction of school buildings and to encourage the establishment of regional and consolidated public schools.

**REIMBURSEMENTS FORMULA:**

Any city, town or regional school district may apply for a school construction grant to cover part of the cost of an approved school project. This grant shall be not less than 50 percent nor more than 65 percent of the costs.

However:

- the reimbursement for interest can be between 40% and 65%.
- the reimbursement of regional school district projects which include K-12 varies between 60% and 75%.
- reimbursement for projects with the purpose of reducing or eliminating racial imbalance is 75%.

Generally, the level of reimbursement is higher for regional school districts and communities with lower Equalized Property Valuations per capita.

**ADMINISTRATION:**

Subsequent to application, the State Board of Education shall consider and determine within a reasonable period of time, a project's acceptance for reimbursement and the appropriate reimbursement percentage. Projects addressing more "acute" needs such as replacement of obsolete or dilapidated structures, or to relieve overcrowding will be given priority.

CHERRY SHEET ITEM NO.: B-10

TITLE: Tuition for State Wards

MAJOR CITATION: G.L. Ch. 76, ss. 7 and 9, & G.L. Ch. 74s, 7A

BUDGET ACCOUNT NO.: 7061-0009

**PURPOSE:**

To reimburse cities and towns for the cost of public elementary or high school tuition for state wards (Department of Social Services, foster care, Department of Public Welfare, Child Welfare Division of the City of Boston, etc.)

**REIMBURSEMENTS FORMULA:**

The full cost incurred based on the average annual per pupil cost of education in said city/town or regional school district as determined by the Department of Education.

**ADMINISTRATION:**

Reimbursements are determined by the Department of Education.

CHERRY SHEET ITEM NO.: B-11

TITLE: Special Needs Recreation

MAJOR CITATION: G.L. Ch. 71B, Section 11

BUDGET ACCOUNT NO.: 7061-0010

**PURPOSE:**

To reimburse cities and towns which establish recreation programs for school-age children with special needs.

**REIMBURSEMENT FORMULA:**

One-half the costs of local programs (including transportation) and the full cost of transporting students to approved state facilities shall be reimbursed.

**ADMINISTRATION:**

Reimbursements are determined by the Department of Education.

CHERRY SHEET ITEM NO.: B-12

TITLE: Retired Teachers Pensions

MAJOR CITATION: Ch. 32, S. 20, Sub-Sec. (2)(c)

BUDGET ACCOUNT NO.: 1108-4200

**PURPOSE:**

To reimburse a city or town for the cost of paying a pension to any retired teacher not covered by the state's teachers' retirement system. (In fact, this law currently applies only to the City of Boston.)

**REIMBURSEMENT OF FORMULA:**

Each such city or town is reimbursed the entire pension payment, not to exceed the payment that would have been made under the teachers' retirement system.

**ADMINISTRATION:**

The school committee of each such city or town certifies the pension to be paid to the teachers' retirement board. Reimbursement for the pensions paid is based on the approval of the State Retirement Board.

CHERRY SHEET ITEM NO.: B-13

TITLE: Transportation of Regional Pupils

MAJOR CITATION: Chapter 71, Section 16C

BUDGET ACCOUNT NO.: 7035-0006

**PURPOSE:**

To assist cities and towns in paying the cost of transporting pupils to regional schools.

**REIMBURSEMENT FORMULA:**

The prior year expenses for the cost of transporting pupils who reside more than one and one-half miles from a regional school (as measured on a common route) are fully reimbursed.

**ADMINISTRATION:**

Transportation reimbursements are determined by the Department of Education.

CHERRY SHEET ITEM NO.: C-1

TITLE: Water Pollution Abatements

MAJOR CITATION: Chapter 21, Section 37

BUDGET ACCOUNT NO.: 2240-0600

**PURPOSE:**

To reimburse the MDC or any city or town for part of the cost of water pollution abatement projects which were begun by September 6, 1966 and financed at least in part by serial bonds or notes on or after 12/31/57. This is an offset item.

**REIMBURSEMENT FORMULA:**

30 percent of the principal payments on such bonds is paid by the Commonwealth provided that no more than 30 percent is paid by the Federal Government. If the Federal Government's payment exceeds 30%, the State's reimbursement is decreased by an equivalent amount. In addition, any city, town or district which has constructed a qualified water pollution abatement project is eligible, subject to appropriation, to be reimbursed for 50 percent of the cost of the chemicals used for waste treatment in the facility.

**ADMINISTRATION:**

A project must be approved by the Division of Water Pollution Control and meet requirements for bonding in order to be reimbursed.

CHERRY SHEET ITEM NO.: C-2

TITLE: Public Libraries

MAJOR CITATION: Chapter 78, Section 19A

BUDGET ACCOUNT NO.: 7000-9501

**PURPOSE:**

To assist municipalities in providing free library service.

**REIMBURSEMENT FORMULA:**

For towns with populations of less than 2,500, the state will pay up to $1,250 of the amount spent on free public library service. For cities and towns with populations over 2,500, reimbursements are $.50 per resident provided that more than $1,250 was spent on free public library service in the preceding year. If a city or town spends less than $6 per person on free library service in the preceding year, and the total amount is less than the average amount over the past four years, then no state aid is given to the city or town for that year. If the service is provided for a part of the year, only partial aid is given.

**ADMINISTRATION:**

The Board of Library Commissioners certifies the amount of aid to be given to each city or town. The State Treasurer pays those amounts by June 30 of each year.

CHERRY SHEET ITEM NO.: C-3

TITLE: Additional Aid to Public Libraries

MAJOR CITATION: Acts of 1983, Chapter 289

BUDGET ACCOUNT NO.: 7000-9502

PURPOSE:

To distribute $1,500,000 in additional state aid to public libraries.

DISTRIBUTION FORMULA:

Distribution of the $1,500,000 is to be made to each city or two, except Boston, "in the same proportion as their population is to the total population of all cities and towns within the Commonwealth." There are no qualifications nor standards to be met and distribution of the aid is to be made to 350 cities and towns, including the three communities (Hawley, New Ashford and Washington) that do not have a public library.

ADMINISTRATION:

this $1,500,000 is not restricted to "Public Library" use, but may be used as an "Estimated Receipt" in setting the local tax levy or may be appropriated by City Council/Board of Aldermen or Special Town Meeting for other uses.

Note: The Director, State Board of Library Commissioners, has advised that Additional Aid to Public Libraries (Account #7000-9502) has no relationship to Regional Public Libraries (#7000-9401) or Public Libraries aid (#7000-9501).

CHERRY SHEET ITEM NO.: C-4

TITLE: Regional Public Libraries

MAJOR CITATION: Chapter 78, Section 19C

BUDGET ACCOUNT NO.: 7000-9401

**PURPOSE:**

To promote regional public library services to smaller local libraries and pay for part of its cost.

**DISTRIBUTION FORMULA:**

The budgeted amount each regional system receives is calculated by applying the following per capita amount based on its population per square mile:

over 1,000 - $1.00
750-999 - $1.10
under 750 - $1.30

In addition, as the "library of last recourse", the Boston Public Library shall receive annually an amount equal to .631 cents per resident of the Commonwealth.

**ADMINISTRATION:**

The Board of Library Commissioners establishes the unit serving each regional system (not to exceed 5) and determines the procedures by which these libraries will operate.

**CHERRY SHEET ITEM NO.:** C-5

**TITLE:** Police Career Incentive

**MAJOR CITATION:** Chapter 41, Section 108L

**BUDGET ACCOUNT NO.:** 1233-3100

**PURPOSE:**

To encourage cities and towns to provide career incentive education programs to police officers, through salary increases. Chapter 41, Section 108L as amended established the Police Career Incentive Pay Program to reward police officers in the field of criminal justice/law enforcement.

**REIMBURSEMENT FORMULA:**

The State Board of Regents annually certifies police officers for their Associate's, Bachelor's or Master's degrees, and they are eligible to receive either a 10%, 20% or 25% base salary pay increase. The participating municipalities pay each officer 100% of his/her "Incentive Pay" and are subsequently reimbursed by the state for 50% of these expenses.

**ADMINISTRATION:**

Career incentive salary increases must be certified by the State Board of Regents. The Chief of Police of each participating municipality must file forms annually by September 1st to the Board of Regents requesting such reimbursements.

CHERRY SHEET ITEM NO.: C-6

TITLE: Cultivation and Protection of Shellfish

MAJOR CITATION: G.L. Chapter 130, S. 20A

BUDGET ACCOUNT NO.: 2330-0600

**PURPOSE:**

To assist and cooperate with coastal cities and towns for the purpose of cultivating, propagating and protecting shellfish.

**REIMBURSEMENT FORMULA:**

The amount reimbursed is equal to the amount expended by each city or town during the prior year, subject to appropriation.

**ADMINISTRATION:**

The Director of the Division of Marine Fisheries shall determine all such amounts to be distributed.

CHERRY SHEET ITEM NO.: C-7

TITLE: Urban Renewal Projects

MAJOR CITATIONS: G.L. Ch. 121B, ss. 53-57

**FEDERALLY AIDED URBAN RENEWAL**

BUDGET ACCOUNT NO.: 3722-9101

**PURPOSE:**

To meet part of the local cost of a federally approved urban renewal project.

**REIMBURSEMENT FORMULA:**

The total grant cannot exceed one-half of the local share, or one-sixth of the net project cost when the local share includes administrative and legal expenses. No grant can exceed $3.5 million per year or $70 million in total.

**ADMINISTRATION:**

The urban renewal agency of a city or town applies to the Department of Community Affairs for the grant. The Department then notifies the city or town as to approval or rejection. If the application is approved, an estimated project cost and the amount to be funded is determined. The funding is made in twenty equal annual installments.

**NON-FEDERALLY AIDED URBAN RENEWAL:**

BUDGET ACCOUNT NO.: 3722-9102

**PURPOSE:**

To meet part of the cost of a local, non-federally approved urban renewal project.

**REIMBURSEMENT FORMULA:**

Grants can be made of up to one-half the total project cost, including planning and administrative costs, provided the city or town has appropriated funds for the remaining balance. The grant cannot exceed $1 million per year, or $20 million in total.

ADMINISTRATION:

In order to qualify, a project must be ineligible for federal assistance or have been rejected for federal funds. The urban renewal agency of a city or town applies to the Department of Community Affairs for the grant similar to the procedure for federally-aided projects. Funding is made in twenty equal annual installments.

CHERRY SHEET ITEM NO.: C-8

TITLE: Veteran's Benefits

MAJOR CITATION: G.L. Chapter 115, Section 6

BUDGET ACCOUNT NO.: 4170-0400

PURPOSE:

To reimburse cities and towns for a portion of amounts spent for veteran's benefits.

REIMBURSEMENT FORMULA:

The state reimburses 75% of a municipality's costs for veteran's benefits. For aid to veteran's dependents, the first $75 plus 75% of the remainder is reimbursed.

ADMINISTRATION:

The veterans' agent and the treasurer of each city and town or group of municipalities must certify the costs, names and other pertinent information to the Commissioner of Veteran's Services. The Commissioner approves these certificates and transmits them to the Comptroller for distribution. Cherry Sheet estimates are based on the prior year's reimbursement. Actual receipts will often vary substantially from these estimates.

CHERRY SHEET ITEM NO.: C-9

TITLE: Highway Fund

MAJOR CITATION: G.L. Chapter 81, Section 31; Semi-color Acts of 1980, Chapter 577, Section 8

BUDGET ACCOUNT NO.: 6005-0017

PURPOSE:

To reimburse cities and towns for costs incurred in the construction, maintenance and policing of city and town roads.

DISTRIBUTION FORMULA:

All Highway Fund distributions are made from the motor fuels excise tax. Each gallon of gasoline sold in the state is taxed 10 percent of its wholesale price per gallon (recalculated every 3 months) or a minimum of 11 cents per gallon. Seven and one-half percent of the total amount collected is dedicated to these Highway Fund reimbursements. Reimbursements are then made according to the following formula:

$$\$400 + \left(7 \times \frac{\text{\# of registrations}}{\text{\# of road miles}}\right) - \left(.0001 \times \frac{\text{EQV}}{\text{\# of rd. miles}}\right) \times \text{\# of rd. miles}$$

All amounts are subjected to appropriation and are made on a pro rated basis.

ADMINISTRATION:

Communities must file an annual report with the Department of Public Works documenting eligible expenses, which cannot exceed actual costs incurred. The Commissioner must certify the amount due to each eligible city and town which has filed such a report by December 1.

CHERRY SHEET ITEM NO.: C-10

TITLE: Additional Highway Assistance

MAJOR CITATION: Acts of 1974, Chapter 825, section 3

HIGHWAY AND TRANSIT FRINGE MBTA COMMUNITIES

BUDGET ACCOUNT NO.: 6034-0008

PURPOSE:

To reimburse certain cities and towns for funds expended for the reconstruction, maintenance and repair of public highways and bridges, and the enforcement of traffic laws.

REIMBURSEMENT FORMULA:

Reimbursements are fixed annual amounts set by legislation, but may not exceed the amount expended by a city or town for the above purposes in FY77.

ADMINISTRATION:

The Department of Public Works shall certify the reimbursements annually to the Comptroller who shall cause them to be paid on or before September 30.

HIGHWAY RECONSTRUCTION AND MAINTENANCE:

BUDGET ACCOUNT NO.: 6034-0009

PURPOSE:

To provide financial assistance to certain cities and towns or highway and transportation purposes.

REIMBURSEMENT FORMULA:

The Commissioner of Revenue shall certify to the State Treasurer certain annual amounts fixed by the legislation, subject to appropriation.

ADMINISTRATION:

Funds are distributed in September of each year.

CHERRY SHEET ITEM NO.: C-11

TITLE: Lottery, Beano, Charity Games, etc.

MAJOR CITATION: G.L. Chapter 29, Section 2D; Chapter 58, Section 18C

BUDGET ACCOUNT NO.: 0640-2001

PURPOSE:

To provide additional financial assistance to cities and towns on an equitable basis.

DISTRIBUTION FORMULA:

The total amount distributed through this account is equal to the lottery's net receipts from the lottery, beano and charity games after payment of prizes and administrative costs. Individual entitlements are calculated according to the "lottery formula" which is:

$$\frac{\text{State p/c EQV}}{\text{Local p/c EQV}} \times 10 \times \text{Local Population} \times \text{Coefficient}$$

The coefficient is a number which reduces aggregate formula entitlements to the net receipts available for distribution. For example, if total state-wide entitlements according to the formula are $210 million and lottery net receipts for this purpose are $170 million, the coefficient would be .8095 ($170 million/$210 million).

ADMINISTRATION:

This is not an appropriated account, but rather a distribution back to municipalities based on actual revenue from the State Lotteries. Quarterly distributions are based on the prior year's actual receipts, with any excess funds certified for distribution for the last payment due on June 30.

Note: In addition to this specific distribution, the Lottery Commission contributes approximately 10% (over $200 million in FY86) of the monies flowing into the Local Aid Fund. This money also benefits local governments as the Local Aid Fund finances the majority of the Cherry Sheet Receipt programs, as well as many "indirect aid" programs which relieve cities, towns and regional school districts of costs they otherwise would have to pay themselves.

CHERRY SHEET ITEM NO.: C-12

TITLE: Local Share of Racing Taxes

MAJOR CITATION: Acts of 1981, Chapter 558

BUDGET ACCOUNT NO.: 0611-5800

PURPOSE:

To return a portion of the taxes received from race tracks to the communities where horse, dog tracks or certain county fairs are located.

DISTRIBUTION FORMULA:

1/4% of 1% of the handle at the racing tracks in:

Boston
Foxborough*
Marshfield
Northampton
Revere
Raynham

ADMINISTRATION:

The State Treasurer pays the distribution annually upon certification by the State Racing Commission.

* A race track exists in Foxborough, but the Racing Commission has not granted a racing license for it in FY89, and therefore no estimate appears on Foxboro's Cherry Sheet.

CHERRY SHEET ITEM NO.: C-13

TITLE: Urban Redevelopment Corporation Excise

MAJOR CITATION: G.L. Chapter 121A, Section 10

**PURPOSE:**

To reimburse cities and towns for the loss of taxes resulting from the granting of certain abatements on corporate property built on urban redevelopment projects.

**REIMBURSEMENT FORMULA:**

For a period of fifteen years after the property tax exemption expires* each corporation shall pay to the state an amount equal to the larger of

a. 5 percent of its gross income and $10 per $1,000 of the project's assessed valuation; or

b. the average of the project's assessed valuation for the last 3 years it was subject to local taxation, times the current local tax rate.

Each city and town is then reimbursed the entire amount (including interest and or penalties, if any) paid to the Commonwealth by the corporation.

**ADMINISTRATION:**

Each city and town that has 121A property must certify annually to the Commissioner of Revenue and the corporation the current fair cash value of the property by March 1. The corporation has until April 1 to appeal this decision. The amount to be reimbursed is determined by MDM/TAB in conjunction with the Data Integration Bureau in the Department of Revenue.

*Exemption can be extended up to a 40 year maximum.

CHERRY SHEET ITEM NO.: C-14

TITLE: Real Estate Abatements: Veterans, Blind Persons, Widows, etc.

MAJOR CITATION: Chapter 59, Section 5

BUDGET ACCOUNT NO.: 1233-2000

PURPOSE:

To reimburse cities and towns for property tax revenue lost as the result of providing relief to certain individuals.

REIMBURSEMENT FORMULA (Clauses in parentheses):

-Veterans, loss of one arm, leg, or eye (22A); $350 tax abatements, 50% reimbursed.

-Veterans, loss of more than one limb or both eyes (22B); $700, 75% reimbursed.

-Veterans, specially adapted housing (22C); $875, 80% reimbursed.

-Veterans, surviving spouses, Quemoy and Matsu only (22D); $175; 100% reimbursed.

-Veterans, 100% disability (22E); $525, 66 2/3% reimbursed.

-Blind Persons (37,37A); $438 or $88, 20% reimbursed.

ADMINISTRATION:

Prior to June 30, each city and town must certify to the Commissioner of Revenue the abatements which have been paid. The reimbursements are annual.

CHERRY SHEET ITEM NO.: C-15

TITLE: Elderly Persons

MAJOR CITATION: G.L. 59, Section 5, Clause 41,41B & 41C; Chapter 967, Section 2

BUDGET ACCOUNT NO.: 1233-2310

PURPOSE:

To reimburse cities and towns for property tax abatements granted to certain elderly persons meeting minimum age and maximum income and wealth criteria.

REIMBURSEMENT FORMULA:

A $4,000 reduction in valuation or $500 tax payment reduction, whichever is greater. The number of the individual community's abatements is divided into the total number state-wide and multiplied by the amount appropriated to determine the amount reimbursed.

ADMINISTRATION:

The Department of Revenue determines each city's and town's share by dividing the state-wide number of exemption into the appropriation and multiplying that percentage by the number of exemptions per city & town.

## CHERRY SHEET ASSESSMENTS

General Laws, Chapter 59, Section 21 provides that the Department of Revenue shall estimate in advance all state assessments and charges on local governments, as well as County tax assessments. Local assessors are required to use these figures in determining the local tax rate.

State charges and assessments will be included by the State Treasurer in his warrant to the assessors of the 351 municipalities. Beginning in FY88, these assessments and charges are deducted from the quarterly distributions of the major state aid programs.

Provision is made on the Cherry Sheet for making adjustments to the prior year's estimates of the actual assessments. In every case, the actual assessment is paid, such that the next year's Cherry Sheet is adjusted to reflect the prior year over and under estimates. Under-estimates are added to the current year's estimate (Column 2), while over-estimates (Column 3) are subtracted.

The assessments appearing on the Cherry Sheet do not always represent the assessments as requested by a state agency or county. The reason for this is that if an assessment violates the guidelines of Proposition 2 1/2 by increasing more than 2 1/2%, only the maximum 2 1/2% increase will appear on the Cherry Sheet.

It should also be noted that while an agency or county's aggregate assessment may not exceed 102 1/2% of the prior year's actual assessment, agencies or authorities such as Regional Transit Authorities may increase their assessments by more than 2 1/2%, either on individual communities or in total, if they demonstrate to the Department of Revenue an increase in prior service or add new services.

For FY89, a portion of each municipality's "Resolution Aid" has been allocated to reduce the county tax. This reduction reflects direct state operating assistance to county jails. The assumption of County Jail costs is explained in greater detail on page 40.

FINAL

C.S. 1-EC

**The Commonwealth of Massachusetts**
**DEPARTMENT OF REVENUE**

FISCAL 1989

NOTICE TO ASSESSORS OF FISCAL 1989 ESTIMATED CHARGES
TO BE USED IN DETERMINING THE TAX LEVY

GENERAL LAWS, CHAPTER 59, SECTION 21 ..... ALL
Municipality

| The following County Tax and State Assessments, as estimated, and the underestimates from the prior year, must be used by the Assessors in determining the Gross Amount to be raised by Taxation. Overestimates from the prior year must be used by the Assessors as Available Funds. | Column 1 Estimates to be raised | Column 2 **Prior Year** Underestimates to be raised | Column 3 **Prior year** Overestimates to be Used as Available Funds |
|---|---|---|---|
| **A. COUNTY ASSESSMENTS:** | | | |
| 1. County Tax G. L. Ch. 35, s. 31 | ~~$75,293,934~~ | ~~$ 7,923~~ | ~~$ 343,900~~ |
| Less State Assumption of County Jail Costs | ~~58,865,759~~ | | |
| **S. Sub-total, County** | ~~$16,428,175~~ | ~~$ 7,923~~ | ~~$ 343,900~~ |
| **B. STATE ASSESSMENTS:** | | | |
| 1. Audit of Municipal Accounts Ch.44 | ~~$ 27,130~~ | ~~$~~ | ~~$ 4,688~~ |
| 2. Supervision of Retirement Systems Ch. 32, s. 21 | ~~949,445~~ | | |
| 3. Motor Vehicle Excise Tax Bills 1962, Ch. 727 | ~~550,319~~ | | |
| 4. Elderly Governmental Retirees Ch. 32A | ~~3,024,044~~ | ~~8,431~~ | |
| 5. Retired Municipal Teachers Ch. 32A | ~~6,942,543~~ | ~~480~~ | |
| 6. Mosquito Control Projects Ch. 252 | ~~1,586,443~~ | ~~19,365~~ | |
| 7. Air Pollution Control Districts Ch. 676 | ~~1,122,997~~ | | |
| 8. Metropolitan Area Planning Council Ch. 40B, 476 | ~~549,109~~ | | |
| 9. Old Colony Planning Council Ch. 332 | ~~60,678~~ | ~~14~~ | ~~14~~ |
| 10. Parking Surcharges, Ch. 90 | | ~~798,220~~ | |
| **S. Sub-total, State Assessments** | ~~$14,812,708~~ | ~~$ 826,510~~ | ~~$ 4,702~~ |
| **C. TRANSPORTATION AUTHORITIES:** | | | |
| 1. MBTA Chs. 161A, 825 | ~~$10,170,875~~ | ~~$ 199,074~~ | ~~$ 199,074~~ |
| 2. Boston Met. Dist. Exp. Chs. 383, 535 | ~~25,000~~ | | |
| 3. Reg'l Trans. Auth., Chs. 161B, 1973 1141 | ~~10,510,003~~ | ~~266,311~~ | ~~181,921~~ |
| **S. Sub-total, Transportation Assessments** | ~~$20,705,878~~ | ~~$ 465,385~~ | ~~$ 380,995~~ |
| **D. CHARGES AGAINST RECEIPTS:** | | | |
| 1. Multi-Year Repayment Program Adjustments | ~~$ 2,362,068~~ | ~~$~~ | ~~$~~ |
| 3. Spec. Ed. Ch. 71B, ss. 10, 12 | ~~3,155,980~~ | ~~308,255~~ | ~~449,659~~ |
| 4. Energy Conserv. 1983, Ch. 700 | ~~348,871~~ | | |
| 5. STRAP Repayments Ch. 637 | ~~205,483~~ | | |
| **S. Sub-total, State Charges** | ~~$ 6,072,402~~ | ~~$ 308,255~~ | ~~$ 449,659~~ |
| **E. TOTAL-ALL ASSESSMENTS AND CHARGES** | ~~$158,019,163~~ | ~~$ 1,608,073~~ | ~~$ 1,179,256~~ |
| **F. NET CHARGES, FISCAL 1989** | (Column 1 + Column 2 – Column 3) | | $158,447,980 |

CHERRY SHEET ASSESSMENT ITEM NO.: A-1

TITLE: County Tax

MAJOR CITATION: G.L Chapter 35, Section 30

**PURPOSE:**

To fund the cost of county governments and the services they provide.

**ASSESSMENT FORMULA:**

With few exceptions, the cost of each county government is assessed to its members in the proportion that each city or town's EQV bears to the county total. The EQV is used to calculate the tax rate of each county, and then the rate of each municipality within said county. Suffolk County assessments are paid entirely by the city of Boston.

Total assessments are computed by adding together the amounts in the annual and supplemental county budgets which are to be raised through taxation and deducting from the total the probable receipts from other sources.

**ADMINISTRATION:**

Assessments are received directly from individual counties. The County Commissioners are responsible for determining the levies which must be approved by the advisory board on county expenditures. Each such assessment cannot be greater than 2 1/2% of the prior year's actual assessment.

**NOTE:**

For FY89, a line item has been added to the County Tax section of the assessment form to display a county jail cost reduction. The line is entitled "Less State Assumption of County Jail Costs," and represents an adjustment due to the Commonwealth's assumption of these costs.

A two-step process was utilized to calculate each municipality's county tax reduction. First, total FY87 direct and indirect costs for operating jails within each county were determined. Second, these amounts were reduced from each municipality's county tax based upon the proportion of total county costs allocated to the municipality. Thus, is a community pays 5% of the county jail reduction total.

CHERRY SHEET ASSESSMENT ITEM NO.: B-1

TITLE: Audit of Municipal Accounts

MAJOR CITATION: Chapter 41, SS. 41, 46A

**PURPOSE:**

To reimburse the state for services performed by the Department of Revenue's Bureau of Accounts. These services include the costs of auditing and/or investigating the accounts and financial affairs of a municipality, and/or certain accounting assistance such as installation of an accounting system.

**CHARGE FORMULA:**

A municipality is assessed for the full cost of an audit, investigation or such other service as contracted for.

**ADMINISTRATION:**

Costs of auditing and/or other services are determined by the Department of Revenue. This program is not governed by Proposition 2 1/2.

CHERRY SHEET ASSESSMENT ITEM NO.: B-2

TITLE: State Supervision of Retirement Systems

MAJOR CITATION: G.L. Chapter 32, Section 21 (2)

**PURPOSE:**

To fund state supervision of municipal retirement systems to ensure their compliance with state regulations.

**CHARGE FORMULA:**

The total amount expended for supervision of municipal retirement systems by the Public Employee Retirement Administration is apportioned to those governmental units operating a retirement system in proportion to the amount disbursed from each system.

**ADMINISTRATION:**

Assessments are determined by the Public Employee Retirement Administration.

CHERRY SHEET ASSESSMENT ITEM NO.: B-3

TITLE: Motor Vehicle Excise Tax Bills

MAJOR CITATION: Acts of 1962, Chapter 727

PURPOSE:

To reimburse the state for a portion of the costs incurred by the Registry of Motor Vehicles in the distribution of the annual Motor Vehicle excise tax bills. No charges are assessed to these municipalities printing their own bills.

CHARGE FORMULA:

Each city and town is assessed a charge of $.15 per tax bill sent to its residents.

ADMINISTRATION:

Each city or town's assessment is determined by the Department of Revenue upon certification by the Registry.

CHERRY SHEET ASSESSMENT ITEM NO.: B-4

TITLE: Health Insurance, Elderly Government Retirees

MAJOR CITATION: G.L. Chapter 32A, SS. 10B (c)

PURPOSE:

To provide a health insurance plan for elderly governmental retirees.

CHARGE FORMULA:

Each city and town is assessed for the governmental share of health insurance premiums paid on behalf of its retirees by the state. The governmental share is the total premium less the the retirees' co-payment. A proportionate share of administrative expenses is also assessed.

ADMINISTRATION:

The Group Insurance Commission pays the health insurance premium on behalf of local government retirees. Local governments are assessed for the payments make on behalf of their retirees.

CHERRY SHEET ASSESSMENT ITEM NO.: B-5

TITLE: Health Insurance, Retired Municipal Teachers

MAJOR CITATION: G.L. Chapter 32A, SS. 12

PURPOSE:

To provide a life and health insurance plan for retired municipal teachers.

CHARGE FORMULA:

Each city and town is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state. The governmental share is the total premium less the retirees' portion. Assessments include a proportionate share of administrative expenses.

ADMINISTRATION:

The state is reimbursed for health and life insurance premiums paid by the Group Insurance Commission on behalf of local government retirees.

CHERRY SHEET ASSESSMENT ITEM NO.: B-6

TITLE: Mosquito Control Projects

MAJOR CITATION: G.L. Chapter 252, Section 5A, Chapter 2, Section 41 of the Acts of 1986

PURPOSE:

To provide mosquito control services to cities and towns which so desire.

ASSESSMENT FORMULA:

One-half of all estimated budgeted expenditures by or on behalf of a mosquito control district are assessed to its member cities and towns; the remainder is paid by the state.

ADMINISTRATION:

Administered by the State Reclamation Board.

CHERRY SHEET ASSESSMENT ITEM NO.: B-7

TITLE: Air Pollution Control District

MAJOR CITATION: G.L. Chap. 111, SS. 142B, 142C; Acts of 1960, Chap. 676, Section 1

PURPOSE:

To assess cities and towns which are members of Air Pollution Control Districts for a portion of the costs incurred by the Division of Air Quality Control of the Department of Environmental Quality Engineering in monitoring air quality and enforcing air quality standards.

ASSESSMENT FORMULA:

Expenses are assessed to each Air Pollution Control District member, 50% based on EQV and 50% based on population.

ADMINISTRATION:

Assessments are determined by the Department of Environmental Quality Engineering.

CHERRY SHEET ASSESSMENT ITEM NO.: B-8

TITLE: Metropolitan Area Planning Council

MAJOR CITATION: G.L. Chap. 40B, SS. 26, 29; Acts of 1974, Chap. 476

**PURPOSE:**

To establish and finance a Metropolitan Boston area planning district in order to promote urban planning and respond to the common urban problems of Boston and outlying communities.

**ASSESSMENT FORMULA:**

Cannot exceed 15 cents per capita (excluding prison inmates) unless a higher rate is approved by 2/3 of MAPC member representatives. Population figures are taken from the most recent Federal or State Census, or biannual population estimates made by the U.S. Census Bureau.

**ADMINISTRATION:**

Assessments are determined by and made to the Council.

CHERRY SHEET ASSESSMENT NO.: B-9

TITLE: Old Colony Planning Council

MAJOR CITATION: Acts of 1967, Chapter 332

**PURPOSE:**

To establish and finance a regional planning body for the Brockton Metropolitan area in order to promote social and economic improvement.

**ASSESSMENT FORMULA:**

Originating legislation limited assessments on council member communities to no more than 20 cents per capita. Members can vote and approve to increase the 20 cents per capita. Population figures are taken from the most recent Federal or State Census, or biannual population estimates made by the U.S. Census Bureau.

**ADMINISTRATION:**

Assessments are determined by the Council.

CHERRY SHEET ASSESSMENT ITEM NO.: B-10

TITLE: Parking Surcharges

MAJOR CITATION: G.L. Chapter 90, 55, 20, 20 1/2

PURPOSE:

To assess a $10 surcharge on parking violators if the community in which the violation took place has asked the Registry of Motor Vehicles to withhold license or registration renewal due to non-payment of parking fines.

CHARGE FORMULA:

The Registry charges each participating community $10 per referral. The city of Boston still charges only $5 for some violations.

ADMINISTRATION:

The community collects the $10 additional on behalf of the Registry. The referrals from September 1 of one year to August 31 of the next year appear as underestimates on the following year's Cherry Sheet.

CHERRY SHEET ASSESSMENT ITEM NO.: C-1

TITLE: Massachusetts Bay Transportation Authority

MAJOR CITATION: G.L. Chap. 161A, ss 8, 9; Acts of 1974, Chap. 825, ss 6,7

**PURPOSE:**

To provide funding for a regional public transit system for the Boston Metropolitan area.

**ASSESSMENT FORMULA:**

The MBTA is made up of 14 cities and towns (including Boston) that originally made up the Boston Metropolitan Transit District (predecessor to the MBTA) and 64 additional communities that joined with these to form the MBTA.

Member communities of the MBTA are assessed for the net cost of Authority service. The net cost of service is the revenue shortfall remaining after all other revenue sources (fares, bonds and grants from the state and federal governments) have been exhausted.

Net cost of the service is broken down into that resulting from express service and that resulting from local service. Formulas dictate how net costs resulting from express and local service are apportioned among Authority members.

The net cost of express service is apportioned among the 78 members 75% on the basis of commuter counts (Federal Census) and 25% based on boarding counts at express stations only. However, the city of Boston must be assessed at least 30% of the total.

The net cost of local service is allocated to the 14 original cities and towns and the 64 additional, as two separate entities, based on population. The 14 original members concurrently are assessed 84% of the net costs of local service (based on census population figures). Within each of these subgroups (14 original, 64 "other"), net costs are apportioned 50% based on population and 50% based on where losses occurred (as determined by the Authority).

Debt Service Costs are apportioned among Authority members as above according to whether the debt was incurred for local or express service purposes.

Total annual MBTA assessments cannot increase by more than 2 1/2% unless new or increased service has been documented. Increases in Authority costs in excess of 2 1/2% in recent years have necessitated increases in direct State contract assistance to the MBTA.

**ADMINISTRATION:**

The MBTA informs the Treasurer of member assessments. The Treasurer deducts one quarter of such assessments from the quarterly Local Aid distributions. An assessment of a given fiscal year is based on the net cost of service for the calendar year ended six months prior to the beginning of that fiscal year. The basis for the Cherry Sheet estimates is the prior year's assessment plus 2 1/2%.

CHERRY SHEET ASSESSMENT ITEM NO.: C-2

TITLE: Boston Metropolitan District Expenses

MAJOR CITATION: Acts of 1929, Chapter 383, Section 12; Acts of 1954, Chapter 535

PURPOSE:

To provide public transportation for the Boston Metropolitan area.

ASSESSMENT FORMULA:

As the predecessor to the MBTA, the Boston Metropolitan District is made up of the 14 "original" cities and towns. These are: Arlington, Belmont, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Medford, Milton, Newton, Revere, Somerville and Watertown. The full amount of the costs, interest and charges incurred in borrowing for District purposes are assessed to the member cities and towns in proportion to their percentage of the District's EQV.

ADMINISTRATION:

EQV's used are the most recent available State figures. The District is no longer active in that it exists only to pay off existing debt borrowed prior to formation of the MBTA. Accordingly, when outstanding debt is retired, the District likely will cease to exist altogether.

CHERRY SHEET ASSESSMENT ITEM NO.: C-3

TITLE: Regional Transportation Authorities

MAJOR CITATION: G.L. Chapter 161B ss 9-10; Acts of 1973, Chapter 1141

**PURPOSE:**

To provide for a system of regional transportation authorities to develop, finance and contract for the operation of Massachusetts transportation facilities and service outside the Metropolitan Boston (MBTA) area.

**ASSESSMENT FORMULA:**

The total net cost of service of each regional transit authority is assessed to its member cities and towns in proportion to the estimated cost of operating routes through those cities and towns. The cost is determined by the differences between the revenues collected from and the cost of operation of such routes. The total assessment of each regional transit authority cannot exceed 102 1/2% of the prior year's unless approved, expanded service is documented.

**ADMINISTRATION:**

Cherry Sheet assessments represent the net cost of service for the previous fiscal year. The basis for the Cherry Sheet assessments is the prior year's assessments plus 2 1/2%.

CHERRY SHEET ASSESSMENT ITEM NO.: D-1

TITLE: Multi-year Repayment Program Adjustments

MAJOR CITATION: Various

PURPOSE:

To allow for : a) repayment of emergency State loans such as those made to Chelsea and Lynn; and b) certain adjustments between communities of current year Chapter 70 distributions in order to make up for inequitable (as determined by litigation) past distributions.

CHARGE FORMULA:

Loan repayments are fixed by individual loan agreements between the state and the borrowers.

The amount and number of years for the repayment of the Chapter 70 adjustments have been fixed by litigation and/or legislation. These adjustments, which are usually spread over a few years, do not affect the total Chapter 70 distributions of either the current or a prior year; rather, they represent only a change in the allocation of Chapter 70 funds within certain communities.

ADMINISTRATION:

These adjustments or repayments are certified to the Treasurer by the Department of Revenue. They are then deducted from the first Chapter 70 distribution (September) annually.

CHERRY SHEET ASSESSMENT ITEM NO.: D-3

TITLE: Special Education Assessment

MAJOR CITATION: G.L. Chap. 71B, SS. 10, 12; Acts of 1972, Chap. 766

PURPOSE:

To reimburse the state for providing special needs education in a state or private institution equivalent to the curriculum for children of comparable age and ability in public schools.

CHARGE FORMULA:

The cost which the cities, towns, or school district are required to pay to the state is the average per-pupil cost of education for pupils within the instruction system.

ADMINISTRATION:

The Department of Education determines a per pupil cost for each school system based on that system's enrollments and costs in the prior year. These assessments are deducted from third quarter (March 31) Chapter 70 distributions. Each municipality is notified a few days in advance of this deduction.

CHERRY SHEET ASSESSMENT ITEM NO.: D-4

TITLE: Energy Conservation Programs Assessment

MAJOR CITATION: Acts of 1983, Chapter 700

PURPOSE:

To encourage municipalities and regional school districts to implement energy conservation programs in public buildings.

CHARGE FORMULA:

The state will finance 100% of the cost of these energy conservation programs upfront. However, participating municipalities and regional school districts must repay 30% of the total state advance over an eight year period. No interest is charged and payments are fixed at the time the grant agreement is finalized.

ADMINISTRATION:

Localities must apply to the Energy Conservation Board for these grants. The 30% portion must be repaid within 10 years of the date of the agreement. As repayments do not begin until the second fiscal year after the agreement is entered into, they are spread over an eight year period. The Energy Conservation Board certifies the assessments to the Department of Revenue which deducts them from the quarterly distribution on December 31st.

CHERRY SHEET ASSESSMENT ITEM NO.: D-5

TITLE: Small Town Road Assistance Program Assessment (STRAP)

MAJOR CITATION: Acts of 1983, Chapter 637, Section 32

PURPOSE:

To provide road assistance program grants to towns with populations of fifteen hundred or less.

CHARGE FORMULA:

The state will finance 100% of these road assistance programs in advance. However, participating municipalities must repay 30% of the total state grant over a ten year period. No interest is charged and payments are fixed at the time the grant agreement is finalized.

ADMINISTRATION:

Localities must apply to the Department of Public Words for these grants. The 30% portion must be repaid within ten years of the date of the agreement. The Department of Public Works certifies the charges to the Department of Revenue which deducts them from gasoline tax monies or any other local aid distribution or grant made to the town.

## ACKNOWLEDGMENTS

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